

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM

ORIGINAL

WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 30742
 Name: Palomino Petroleum, Inc.
 Address: 4924 SE 84th St.
 City/State/Zip: Newton, Kansas 67114-8827
 Purchaser: None
 Operator Contact Person: Klee R. Watchous
 Phone: (316) 799-1000
 Contractor: Name: Southwind Drilling, Inc.
 License: 33350
 Wellsite Geologist: Robert A. Schreiber
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
 If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>4/16/07</u>	<u>4/24/07</u>	<u>4/24/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24592-0000
 County: Ness
W/2 - E/2 - SE Sec. 16 Twp. 16 S. R. 24 East West
1180 feet from (S) N (circle one) Line of Section
1050 feet from (E) W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE (SE) NW SW
 Lease Name: Pfannenstiel Well #: 1
 Field Name: None (Wildcat)
 Producing Formation: None
 Elevation: Ground: 2525 Kelly Bushing: 2535
 Total Depth: 4626 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 255 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan PAI + II NH 7-14-08
 (Data must be collected from the Reserve Pit)
 Chloride content _____ ppm Fluid volume _____ bbls
 Dewatering method used _____
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Klee R. Watchous
 Title: President Date: July 26, 2007
 Subscribed and sworn to before me this 26th day of July,
20 07.
 Notary Public: Carla R. Penwell
 Date Commission Expires: October 6, 2009
 My Appt. Expires: 10-16-09

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

RECEIVED
 KANSAS CORPORATION COMMISSION
JUL 27 2007

Operator Name: Palomino Petroleum, Inc. Lease Name: Pfannenstiel Well #: 1
 Sec. 16 Twp. 16 S. R. 24 East West County: Ness

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Dual Induction, Compensated Density/Neutron	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1849</td> <td>(+ 641)</td> </tr> <tr> <td>Base Anhy.</td> <td>1924</td> <td>(+ 611)</td> </tr> <tr> <td>Topeka</td> <td>3632</td> <td>(-1097)</td> </tr> <tr> <td>Heebner</td> <td>3899</td> <td>(-1364)</td> </tr> <tr> <td>LKC</td> <td>3941</td> <td>(-1406)</td> </tr> <tr> <td>BKC</td> <td>4238</td> <td>(-1703)</td> </tr> <tr> <td>Marmaton</td> <td>4280</td> <td>(-1745)</td> </tr> <tr> <td>Pawnee</td> <td>4366</td> <td>(-1831)</td> </tr> </table>	Name	Top	Datum	Anhy.	1849	(+ 641)	Base Anhy.	1924	(+ 611)	Topeka	3632	(-1097)	Heebner	3899	(-1364)	LKC	3941	(-1406)	BKC	4238	(-1703)	Marmaton	4280	(-1745)	Pawnee	4366	(-1831)
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Pawnee	4366	(-1831)																										

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	20#	255'	Common	170	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

Disposition of Gas <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval
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JUL 27 2007
 CONSERVATION DIVISION
 WICHITA KS

LOGS

Ft. Scott	4444	(-1909)
Cherokee Sh.	4469	(-1934)
Cherokee Sd.	4535	(-2000)
Miss.	4566	(-2031)
LTD	4626	(-2091)

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 27 2007

CONSERVATION DIVISION
WICHITA, KS

RECEIVED

APR 30 2007

Allied Cementing Co., LLC
24 S. Lincoln
P.O. Box 31
Russell, KS 67665

*
* I N V O I C E *
*

Invoice Number: 108470

Invoice Date: 04/27/07

Sold Palomino Petroleum, Inc.
To: 4924 SE 84th St.
Newton, KS
67114-8827

Cust I.D.....: Palo
P.O. Number...: Pfannenstiel#1
P.O. Date.....: 04/27/07

Due Date.: 05/27/07
Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Common	159.00	SKS	11.1000	1764.90	T
Pozmix	106.00	SKS	6.2000	657.20	T
Gel	14.00	SKS	16.6500	233.10	T
FloSeal	66.00	LBS	2.0000	132.00	T
Handling	281.00	SKS	1.9000	533.90	T
Mileage	18.00	MILE	25.2900	455.22	T
281 sks @>09 per sk per mi					
Rotary Plug	1.00	JOB	815.0000	815.00	T
Mileage pmp trk	18.00	MILE	6.0000	108.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	4699.32
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	249.06
If Account CURRENT take Discount of <u>469.93</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	4948.38

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 27 2007

ALLIED CEMENTING CO., INC.

30614

Federal Tax I.D.#

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Great Bend

4-24-07

DATE <i>4-24-07</i>	SEC. <i>16</i>	TWP. <i>16</i>	RANGE <i>24</i>	CALLED OUT <i>10:00PM</i>	ON LOCATION <i>2:00AM</i>	JOB START <i>4:00AM</i>	JOB FINISH <i>7:00AM</i>
LEASE <i>Pfannenstiel</i> WELL # <i>1</i>			LOCATION <i>Ransom west to road "O"</i>		COUNTY <i>Ness</i>	STATE <i>Kansas</i>	
OLD OR NEW (Circle one)			<i>1 1/2 north, west into.</i>				

CONTRACTOR *Southwind*
 TYPE OF JOB *Rotary Plug*
 HOLE SIZE *7 7/8* D. *4629'*
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE *4 1/2 x H* DEPTH *1920'*
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER *Palomino Petroleum Inc.*

CEMENT
 AMOUNT ORDERED *265 AX 60/40 POZ*
6% Gel 1/4" FLOSEAL PER SX.

COMMON	<i>159 AX</i>	@	<i>11.10</i>	<i>1764.90</i>
POZMIX	<i>106 AX</i>	@	<i>6.20</i>	<i>657.20</i>
GEL	<i>14 AX</i>	@	<i>16.65</i>	<i>233.10</i>
CHLORIDE		@		
ASC		@		
FLOSEAL-66 #		@	<i>2.00</i>	<i>132.00</i>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>28/AX</i>	@	<i>1.90</i>	<i>533.90</i>
MILEAGE	<i>28/AX 09</i>	@	<i>18</i>	<i>455.22</i>
TOTAL				<i>3776.32</i>

EQUIPMENT

Ness
 PUMP TRUCK CEMENTER *J.D. Dreifling*
 # *224* HELPER *Jim Weighous*
 BULK TRUCK
 # *341* DRIVER *Steve Turley*
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

1st 1920' - 50 AX
2nd 1200' - 80 AX
3rd 600' - 40 AX
4th 270' - 50 AX
5th 60' - 20 AX
15 AX in Rathole
10 AX in Mousehole

SERVICE

DEPTH OF JOB	<i>1920'</i>			
PUMP TRUCK CHARGE				<i>815.00</i>
EXTRA FOOTAGE		@		
MILEAGE	<i>18</i>	@	<i>6.00</i>	<i>108.00</i>
MANIFOLD		@		
		@		
		@		
TOTAL #				<i>925.00</i>

CHARGE TO: *Palomino Petroleum Inc.*
 STREET *4924 SE 84th St.*
 CITY *Newton* STATE *Kansas* ZIP *67114-8827*

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		
TOTAL _____			

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *X Palomino*

SIGNATURE *X LEWISNE TRESNER*
 PRINTED NAME _____

Thank you!

RECEIVED

APR 23 2007

Allied Cementing Co., LLC
24 S. Lincoln
P.O. Box 31
Russell, KS 67665

* I N V O I C E *

Invoice Number: 108363

Invoice Date: 04/19/07

Sold Palomino Petroleum, Inc.
To: 4924 SE 84th St.
Newton, KS
67114-8827

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 27 2007

CONSERVATION DIVISION
WICHITA, KS

Cust I.D.....: Palo
P.O. Number...: Pfannenstiel#1
P.O. Date.....: 04/19/07

Due Date.: 05/19/07
Terms.....: Net 30

Salesperson...:

Item I.D./Desc.	Ordered	Unit	Price	Net	TX
Common	170.00	SKS	11.1000	1887.00	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	178.00	SKS	1.9000	338.20	E
Mileage	18.00	MILE	16.0200	288.36	E
178 sks @>09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	18.00	MILE	6.0000	108.00	E
Head Rent	1.00	PER	100.0000	100.00	E
TWP	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3879.51
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	118.19
If Account CURRENT take Discount of <u>387.95</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3997.70

ALLIED CEMENTING CO., INC.

30610

Federal Tax I.D. #

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

~~Newton~~
Great Bend

DATE 4-16-07	SEC. 16	TWP. 16	RANGE 24	CALLED OUT 4:00PM	ON LOCATION 8:00PM	JOB START 10:00am	JOB FINISH 10:30 PM
LEASE Flannometel		WELL # 1	LOCATION Ransom 2 west to "O"		COUNTY Ness	STATE Kansas	
OLD OR NEW (Circle one)		road 1 1/2 north					

CONTRACTOR **Southwind**

TYPE OF JOB **Surface**

HOLE SIZE **12 1/4** T.D. **258'**

CASING SIZE **8 5/8** DEPTH **258'**

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. **15'**

PERFS. _____

DISPLACEMENT **15.4 BBLs**

OWNER **Palomino Petroleum Inc.**

CEMENT

AMOUNT ORDERED **170 ex Common**

3% CC 2% gel

COMMON	170 ML	@	11.10	1887.00
POZMIX		@		
GEL	3 ML	@	16.65	49.95
CHLORIDE	5 ML	@	46.60	233.00
ASC		@		
HANDLING	170 ML	@	1.90	328.20
MILEAGE	178 ML 09	@	18	288.36
TOTAL				2796.51

EQUIPMENT

Ness

PUMP TRUCK CEMENTER **Jim Drilling**

#**224** HELPER **Jim Weighous**

BULK TRUCK

#**342** DRIVER **Don Dugan**

BULK TRUCK

_____ DRIVER _____

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 27 2007
CONSERVATION DIVISION
WICHITA, KS

REMARKS:

Ran 8 5/8 casing to Bottom
Circulate with rig mud
Hook up to pump truck & mixed.
170 ex common 3% CC 2% gel.
Shut down change valves over & release.
8 5/8 TWP & displace with 15.4 BBLs
H₂O Cement did circulate.

SERVICE

DEPTH OF JOB	258'			
PUMP TRUCK CHARGE				85.00
EXTRA FOOTAGE		@		
MILEAGE	18	@	6.00	108.00
MANIFOLD		@		
Headrental		@	100.00	100.00
TOTAL				1023.00

CHARGE TO: **Palomino Petroleum Inc.**

STREET **4924 SE 84th St.**

CITY **Newton** STATE **Kansas** ZIP **67114-8827**

PLUG & FLOAT EQUIPMENT

1-8 5/8 TWP	@	60.00	60.00
	@		
	@		
	@		
	@		
TOTAL			60.00

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE **Jim Roberts**

Jim Roberts
PRINTED NAME

THANK you!

CONSERVATION DIVISION

CONSERVATION DIVISION
MICHIGAN, KS

JUL 27 2007

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KANSAS CORPORATION COMMISSION